

March 29, 2001

Honorable Norman K. Ferguson, Senate Chair  
Honorable William R. Savage, House Chair  
Joint Standing Committee on Utilities and Energy  
115 State House Station  
Augusta, ME 04333

Re: LD 1297, An Act to Ensure Proper Funding of the Public Utilities  
Commission

Dear Senator Ferguson and Representative Savage:

The Commission will testify in support of LD 1297, An Act to Ensure Proper Funding of the Public Utilities Commission. The Commission will be present at the work session and will be pleased to work with the Committee as it considers this bill.

LD 1297 would cause three things to happen:

1. funds that were budgeted but unused during fiscal year 2000-01 (currently estimated to be \$900,000) would be made available in the subsequent two fiscal years;
2. \$300,000 designated for salaries for fiscal year 2000-01 would be used instead for other Commission expenses in fiscal year 2000-01; and
3. the assessment that funds the Commission would temporarily increase by 6% and 12% respectively in the two fiscal years subsequent to 2000-01.

The assessment that funds the Commission's budget is capped at \$4.9M annually pursuant to 35-A § 116 (1) and has not increased since fiscal year 1992-93. In recent years, we have expanded our activities in regional and national arenas, while continuing to carry out traditional ratemaking and consumer protection activities and develop rules and procedures for the competitive electric, gas, and telephone industries. We have funded additional costs by leaving positions unfilled temporarily and by using funds unexpended in previous years. However, we can no longer carry out our responsibilities without increasing our funding. This bill would increase the assessment for two years. After two years, we will re-examine the function and structure of the Commission and recommend to the Legislature the appropriate assessment for those functions. In addition, LD 1297 would re-allocate a portion of the Commission's funding, allowing us to hire consultants to help intervene in Federal Energy Regulatory

Commission (FERC) proceedings, carry out Federal Communications Commission (FCC) mandates in the telephone industry, and investigate the health of the wholesale electricity market.

Attached to this testimony are two documents – a high-level line item list of the Commission's Personal Services, All Other, and Capital budgets and a more detailed line item list of the Commission's All Other budget.

In summary, we urge the Committee to vote out LD 1297 as "ought to pass," to allow the Commission to continue to protect Maine's consumers as effectively and efficiently as possible. Please do not hesitate to call me if you have any questions.

Sincerely,

Thomas Welch  
Commission Chair